

REQUEST FOR QUALIFICATIONS (RFQ)

PURPOSE AND INTENT

The New Jersey Department of Health and Senior Services ("DHSS"), as the agency responsible for the administration of the New Jersey Pharmaceutical Assistance for the Aged and Disabled (PAAD) and Senior Gold Prescription Discount (Sr. Gold) programs, seeks information from Prescription Drug Plans (PDPs) and Medicare Advantage Prescription Drug Plans (MA-PDPs) who intend to apply for Medicare certification, whose service area includes the State of New Jersey and who are interested in coordinating Medicare Prescription Drug benefits with the PAAD and Sr. Gold programs. The Medicare Modernization Act of 2003 supports coordination between Part D prescription plans and State Pharmaceutical Assistance Programs (SPAPs). Both PAAD and Sr. Gold are qualified SPAPs.

MINIMUM REQUIREMENTS

Intent to apply for PDP or MA-PDP certification from the Centers for Medicare and Medicaid Services (CMS).

PROPOSAL SUBMISSION

An original and three (3) copies of each proposal must be marked **"Proposal for Prescription Drug Plan Provider"** and addressed to:

Kathleen Mason, Acting Deputy Commissioner
New Jersey Department of Health and Senior Services
PO Box 715
Trenton, NJ 08625-0715

All documents/information submitted in response to this solicitation shall be available to the general public as required by Executive Order No. 26.

Except as noted, communications with representatives of the State concerning this request by you or on your behalf are not permitted during the submission and selection process.

Inquiries concerning this request should be directed in writing to:

Stanley Makarevic, Assistant Director
Division of Purchase and Property
Department of Treasury
33 West State Street
PO Box 236
Trenton, NJ 08625
Fax: 609-777-2968
E-Mail Stanley.Makarevic@treas.state.nj.us

All inquiries will be responded to either by e-mail or in writing.

The State will not be responsible for any expenses in the preparation and/or presentation of the request for qualifications and oral interview or for the disclosure of any information or material received in connection with this solicitation.

The State reserves the right to reject any and all RFQs, with or without cause, and waive any irregularities or informalities in the proposals. The State further reserves the right to make such investigations as it deems necessary on the qualifications of any firm submitting a proposal. If a vendor objects to any specification/requirement of this RFQ or to any of the State's Standard Terms and Conditions, the vendor must explicitly set forth each exception and basis for the exception in the front of its RFQ. The State reserves the right to re-solicit requests for qualifications.

GENERAL INFORMATION

Background.

PAAD currently serves approximately 193,000 enrollees and offers a comprehensive benefit that covers most FDA-approved drugs for a copayment of \$5. There are approximately 30,000 Sr. Gold beneficiaries who receive benefits for a co-pay of \$15 plus 50% of the remaining costs. Neither PAAD nor Sr. Gold have premiums, deductibles, or gaps in coverage. DHSS seeks vendor(s) to coordinate and wrap around the benefits that will be provided by the PDPs or MA-PDPs under Medicare Part D with these two Department of Health and Senior Services programs. An estimated 82,000 PAAD beneficiaries have low assets and incomes of 150% FPL or less who may be eligible for subsidized benefits through Medicare Part D prescription plans. The proper coordination of benefits could greatly benefit the PAAD and Sr. Gold programs. Thus, the State plans to encourage those PAAD and Sr. Gold enrollees who may be eligible for Medicare Part D benefits to enroll. However, because PAAD beneficiaries now enjoy comprehensive prescription benefits, they will not voluntarily enroll without a comprehensive outreach plan that must be provided by the selected vendor(s).

Further, while the State wants to encourage PAAD and Sr. Gold participants to enroll in a Medicare Part D prescription plan, it also wants to ensure minimal burden on current enrollees and pharmacies while maintaining the same access to benefits as the enrollees currently receive through PAAD and Sr. Gold. Choosing between multiple PDPs and MA-PDPs that may have significantly different benefits will be frustrating and confusing for most PAAD and Sr. Gold enrollees. Thus, the State is seeking solutions and proposals from potential PDPs and MA-PDPs regarding how they plan to coordinate benefits with New Jersey's SPAPs.

Scope of Provider Services

In order to properly educate our beneficiaries about their choice of plans, DHSS requests information from potential PDPs and MA-PDPs certified by CMS to provide Medicare Part D benefits in New Jersey that addresses the following list of questions:

1. The current PAAD and Sr. Gold pharmacy network includes 98% of the pharmacies in the State. How many pharmacies in New Jersey will participate in your firm's pharmacy network?
2. The PAAD program currently reimburses pharmacies average wholesale price (AWP) less 12.5% plus a \$3.73 base dispensing fee with an additional \$.15 for Medicaid/PAAD prescription volume greater than 50% of their total prescription volume, an additional \$.11 for 24 hour emergency service and an additional \$.08 for patient counseling by the pharmacy. What reimbursement rate and other dispensing fees will your firm pay?
3. The PAAD and Sr. Gold programs allow a 34-day supply for the initial prescription and 34 days or 100 units, whichever is greater, for refills. Please describe your firm's day supply rules for initial and refilled prescriptions.
4. Describe your methodology for smoothly enrolling PAAD and Sr. Gold beneficiaries in your PDP or MA-PDP. Describe how your firm can facilitate eligibility determinations for low-income subsidy eligibles. Describe how your company will share data with SSA, CMS, and New Jersey's SPAPs.
5. Set forth in detail your firm's plan to encourage and ensure that all PAAD and Sr. Gold enrollees who are eligible for Medicare Part D prescription coverage actually apply for the new Medicare drug benefit? Please provide a detailed explanation of any prior experience your firm has in outreach programs to seniors, especially in the area of prescription drug benefits.
6. Will your firm provide the State with a weekly list of all PAAD and Sr. Gold enrollees who are determined eligible by CMS to participate in your PDP and each enrollee's level of subsidy? If so, describe the contents of the weekly list that your firm proposes to provide as a PDP or MA-PDP.

7. Please provide a description of what the pharmacist will need to do at the point-of-sale to coordinate the State's payment of the beneficiary cost sharing when it exceeds \$5.00. Describe your procedure for the processing of claims for pharmacies that will require split billing. Will there be additional transaction fees for split billing? What is the cost to the State to implement this system?
8. What are all the costs, if any, *to the State* associated with using your PDP or MA-PDP for PAAD and Sr. Gold beneficiaries? Please describe those costs in detail.
9. Will you produce one co-branded card with the PAAD or the Sr. Gold logo plus the PDP's logo?
10. What other benefits does your PDP or MA-PDP provide that would make your firm more desirable for PAAD and Sr. Gold beneficiaries?
11. Explain how your firm will coordinate benefits with PAAD and Sr. Gold. Provide a complete plan and address if your firm will coordinate benefits at the point-of-sale and/or if PAAD and Sr. Gold will purchase an enhanced coverage package and reimburse your company for all wrap around costs. In addition, please address:
 - How can PAAD or Sr. Gold pay for all premiums, deductibles and coinsurance costs over the PAAD or Sr. Gold copayment amounts?
 - Can the State arrange to pay the difference between the standard package for those people with income over 150% of the federal poverty level and the package for full subsidy eligible people?
 - If your plan is to coordinate benefits at the point of sale, please describe the process that the pharmacist will follow. Will the pharmacist submit one claim to your company and then balance bill PAAD or Sr. Gold through a separate claim transaction?
 - If PAAD or Sr. Gold have the ability to purchase an enhanced benefit package through your firm, please describe the process and describe what enhanced benefit packages are available. How would the State pay for the expanded benefit package?
 - Can PAAD and Sr. Gold process all claims for beneficiaries who enroll in your PDP or MA-PDP directly through your firm and then reimburse your firm directly for any costs over the PAAD/Sr. Gold co-payment that are not covered by Medicare Part D?
12. Please describe your formulary structure. How does it vary from the USP model? Will non-formulary costs be covered but with a higher co-payment? Will non-formulary costs be tracked through the True Out-Of-Pocket (TrOOP) costs? Please provide, electronically if possible, a copy of the Medicare Part D formulary that your firm submitted to CMS in February 2005. Please indicate the total number of drugs, drug names and NDCs on your firm's formulary by therapeutic class and sub-category. PAAD can provide you with a de-identified claims file so that you can compare your firm's formulary to the current PAAD drug usage.

13. Will your firm offer a mail order plan? If yes, will the mail order plan coordinate benefits with PAAD/Sr. Gold? Describe the co-payment, reimbursement, and dispensing fees for the mail order plan.
14. The PAAD program has conducted a comprehensive DUR program for several years, which has required a prior authorization process (PA) to cover claims that were initially rejected for DUR edits. PAAD and Sr. Gold also have a mandatory generic substitution policy that requires PA for brand name multi-source drugs. Will your company accept without limitation existing PA information that has already justified medical necessity to "grandfather" in these PA requests? Will your firm accept without limitation PAAD/Sr. Gold claims history to document drugs that were tried and failed? If your firm can not accept without limitation either request, please set forth the limitations or exceptions to either request.
15. Currently the State has a fiscal agent that processes and pays PAAD and Sr. Gold claims. DHSS expects a Medicare Part D plan to take over those functions in 2006.
- Please explain your firm's file sharing information and the scope of reporting your firm can provide the State.
 - Will your firm be able to accept a weekly electronic file (whose format will be determined by CMS) with enrollment, disenrollment, and change transactions?
 - Will your firm provide the State with a weekly file of all PAAD and Sr. Gold enrollees who are found eligible to participate in your PDP or MA-PDP? Conversely, will your firm provide the State with a weekly list of disenrolled/cancelled participants?
 - Will the PAAD/Sr. Gold staff have access to real time claims details and a data warehouse of all claim information for beneficiaries dually enrolled in your PDP or MA-PDP and PAAD or Sr. Gold programs? If so, please describe the type and form of access that the staff will have.
 - Will your firm track TrOOP costs?
 - Will your firm provide a weekly file to the State concerning the TrOOP expenses for each beneficiary? Will your firm send and receive these files in an encrypted (secure) electronic format? Will your firm provide the State inquiry access into your database (real-time) for its clients?
16. Will your firm provide pharmacy benefit services for the few PAAD or Sr. Gold beneficiaries who do not qualify for Medicare Part D services?
17. Currently, the PAAD program pays for claims covered under Medicare Part B but retroactively recovers the claim cost from CMS. Beneficiaries continue to pay only the PAAD/Sr. Gold co-pay. Please describe how your firm will manage Medicare Part B claims. How will your firm handle these claims after 2006 to ensure that PAAD and Sr. Gold beneficiaries do not encounter additional expenses?
18. Approximately 120,000 beneficiaries would need to pay premium costs under Medicare Part D. DHSS does not want the beneficiaries to pay premium costs and

then be reimbursed. DHSS seeks a system to pay premiums on behalf of the beneficiaries. Please describe in sufficient detail your firm's plan to implement the requested system to ensure that the beneficiaries do not pay premium costs and then seek reimbursement. Furthermore, approximately 19,000 PAAD beneficiaries have income between 135%-150% of the federal poverty limit and would be eligible for sliding scale premiums, which would result in that part of the cost would be covered by CMS and the balance by the State of New Jersey. Describe your firm's plan to accommodate the allocation of the cost between CMS and the State.

19. PAAD currently receives Medicaid-level best price rebates from drug manufacturers. What percentage of the rebates that your firm collects from manufacturers will be passed through to beneficiaries in the form of reduced beneficiary cost-share? During the doughnut hole period of the Medicare Part D drug benefit, the PAAD program will be paying the full cost of the prescription. Please describe how your firm plans to provide for the State to recoup or benefit from manufacturer rebates during the doughnut hole period.
20. DHSS will provide selected vendors with the State's seal on a co-branded card and access to PAAD enrollment and provider files to identify low-income enrollees eligible for Medicare Part D prescription coverage. Will your firm's marketing materials specifically include references to the wrap around coverage provided by PAAD and Sr. Gold? If so, will your firm translate the marketing materials into Spanish?
21. Will your firm have both preferred and non-preferred pharmacies in your network? Will there be higher co-pays for non-preferred pharmacies? Will your firm satisfy the TRICARE pharmacy access standards using preferred pharmacies only?
22. How will your firm deal with specialty pharmacies?
23. If the PAAD and Sr. Gold programs pay for non-formulary drugs, explain in detail how your firm will ensure that PAAD and Sr. Gold do not pay for contraindicated drugs.
24. On page 46779 of the Preamble to the proposed Medicare Part D regulations, CMS states that it expects drug plans to achieve on average a 15 percent cost management savings in 2006, which will increase over time and also yield beneficiaries additional out-of-pocket savings. Please provide and explain in sufficient detail any and all cost management tools that your firm will use to generate these savings. Please also indicate how these cost management tools may impact the PAAD and Sr. Gold beneficiary population and their current drug coverage.
25. The final Medicare Part D regulations call for Part D plans to have a transition process in place for new enrollees prescribed Part D drugs that are not on its Part D plan's formulary. To satisfy this requirement, describe your firm's transition process for PAAD and Sr. Gold beneficiaries who enroll in your Part D plan.

26. If a particular drug is taken off the market and communication about that action needs to be done quickly to Part D participants, describe how your firm will effectively and expeditiously communicate this information to Part D participants.
27. Some PAAD and Sr. Gold beneficiaries reside in nursing homes. Will long-term care pharmacies be included in your pharmacy network? Describe in sufficient detail how your firm will ensure a smooth transition to Medicare Part D for beneficiaries in nursing homes, assisted living facilities, and boarding homes.

REQUIRED COMPONENTS OF THE PROPOSAL

Your proposal should respond to each of the following requests in the order indicated. In addition, the vendor should also take into consideration the following elements when preparing its proposal.

The vendor should describe its approach and plans for accomplishing the work outlined in the Scope of Provider Services section. Those plans and approaches should be described in sufficient detail to permit the State to evaluate them fairly and with a minimum of possible misinterpretation. Further, the vendors should demonstrate and describe the effort, skills, and understanding of the project necessary to satisfactorily complete the project.

The vendor's proposal must also set forth in sufficient detail the vendor's plans and approach for completing all the tasks and subtasks required by the Scope of Provider Services. The vendor's proposal should detail how the vendor intends to complete the required tasks under section of the Scope of Provider Services.

The vendor's proposal should convince the State that the vendor's detailed plans and approach proposed to complete the services required under this RFQ are realistic, attainable and appropriate and that the proposed plans will lead to the successful completion of the services required under this RFQ.

A. Conflict of Interest:

Identify any existing or potential conflicts of interests, as well as your representation of parties or other relationships that might be considered a conflict of interest, that may affect or involve this assignment or the State of New Jersey.

B. Identification:

Provide name and address of the firm, the name, telephone number, fax number, and e-mail address of individual or individuals responsible for the preparation of this proposal

who may be contacted in the event of questions or notification, and the location of the office, if other than that shown above which the services to be provided hereunder will be performed.

C. Fees:

Identify the proposed fees for all the services to be performed. The State reserves the right to divide the scope of services amongst more than one vendor and negotiate a fee with the selected vendors.

Each vendor should make its own determination and provide a fee schedule that is structured to provide compensation for services and expenses actually provided. Fee schedules should include a maximum cap.

Hourly fees and expense billing policies should be spelled out in detail, and clearly described in a way that allows restatement of these elements in a contract, if the proposal is accepted.

ORAL INTERVIEW

While the State does not anticipate requiring oral presentations, it reserves the right to do so, in person or by telephone. Proposals should be complete on their face. The State reserves the right to request clarifying information subsequent to submission of the vendor's proposal.